

2011 DRAFTING REQUEST

Bill

Received: **01/07/2011**

Received By: **mshovers**

Wanted: **As time permits**

Companion to LRB:

For: **Bob Ziegelbauer (608) 266-0315**

By/Representing: **Heather**

May Contact:

Drafter: **mshovers**

Subject: **Tax, Individual - dedct/sbtrct**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Ziegelbauer@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Increase capital gains deduction to 60 percent; repeal change made in 2009 WI Act 28

Instructions:

See attached. Repeal treatment of cap gains from 2009 Act 28, moving to a 60% deduction for all assets.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State Tax
/1	mshovers 01/07/2011	jdyer 01/17/2011	jfrantze 01/17/2011	_____	sbasford 01/17/2011	ggodwin 04/04/2011	

FE Sent For:

At Introduction

<END>

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/? mshovers

11 MES 1/7/11 1/17 jld 1/17

FE Sent For:

<END>

Shovers, Marc

From: Kreye, Joseph
Sent: Friday, January 07, 2011 9:47 AM
To: Shovers, Marc
Subject: Request from Rep Zeigelbauer

Mr. Shovers,

Rep. Z would like a bill that makes the capital gains tax rate under s. 71.05 (6) (b) 9. 60 percent (what it was before last session).

I received the request from Heather Schubert.

Joe

Joseph Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266-2263



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0938/1

MES:...

Jld

2011 BILL

✓
1 AN ACT ...; relating to: restoring the treatment of the exclusion of capital gains
2 for individuals and certain other persons that existed before the enactment of
3 2009 Wisconsin Act 28.

Analysis by the Legislative Reference Bureau

* Under current law, as affected by the 2009 biennial budget bill, there is an income tax exclusion for individuals, fiduciaries, members of limited liability companies and partnerships, and shareholders of tax-option corporations for 30 percent of the net long-term capital gains realized from the sale of assets held more than one year and the sale of all assets acquired from a decedent, and an exclusion for 60 percent of such gains realized from the sale of farm assets held more than one year and the sale of all farm assets acquired from a decedent. (-11)

* This bill reverses the changes made to the taxation of capital gains in the 2009 biennial budget bill and restores the income tax exclusion for capital gains to 60 percent of the net long-term capital gains realized from the sale of assets held more than one year and the sale of all assets acquired from a decedent and repeals the separate 60 percent exclusion for farm assets. (-11)

* Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

* For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 71.05 (6) (b) [✓]9. of the statutes is amended to read:

71.05 **(6)** (b) 9. On assets held more than one year and on all assets acquired from a decedent, ~~30~~ [✓]60 percent of the capital gain as computed under the ~~internal revenue code~~ Internal Revenue Code,[✓] not including capital gains for which the federal tax treatment is determined under section 406 of P.L. 99-514; not including amounts treated as ordinary income for federal income tax purposes because of the recapture of depreciation or any other reason; and not including amounts treated as capital gain for federal income tax purposes from the sale or exchange of a lottery prize. For purposes of this subdivision, the capital gains and capital losses for all assets shall be netted before application of the percentage.

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, [✓]34; s. 13.92 (1) (bm) 2., (2) (i).

SECTION 2. 71.05 (6) (b) 9m. of the statutes is repealed.

SECTION 3. Initial applicability.

(1) This act first applies to taxable years beginning on January 1 of the year in which this subsection takes effect,[✓] except that if this subsection takes effect after [✓]July 31,^g this act first applies to taxable years beginning on [✓]January 1 of the year following the year in which this subsection takes effect.[✓]

(END)

Godwin, Gigi

From: Schubert, Heather
Sent: Monday, April 04, 2011 10:21 AM
To: LRB.Legal
Subject: LRB-0938

 ASSEMBLY

Thank you.

*Heather Schubert
Office of Rep. Bob Ziegelbauer
Room 207N, State Capitol
(608) 266-0315*